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THE Feed SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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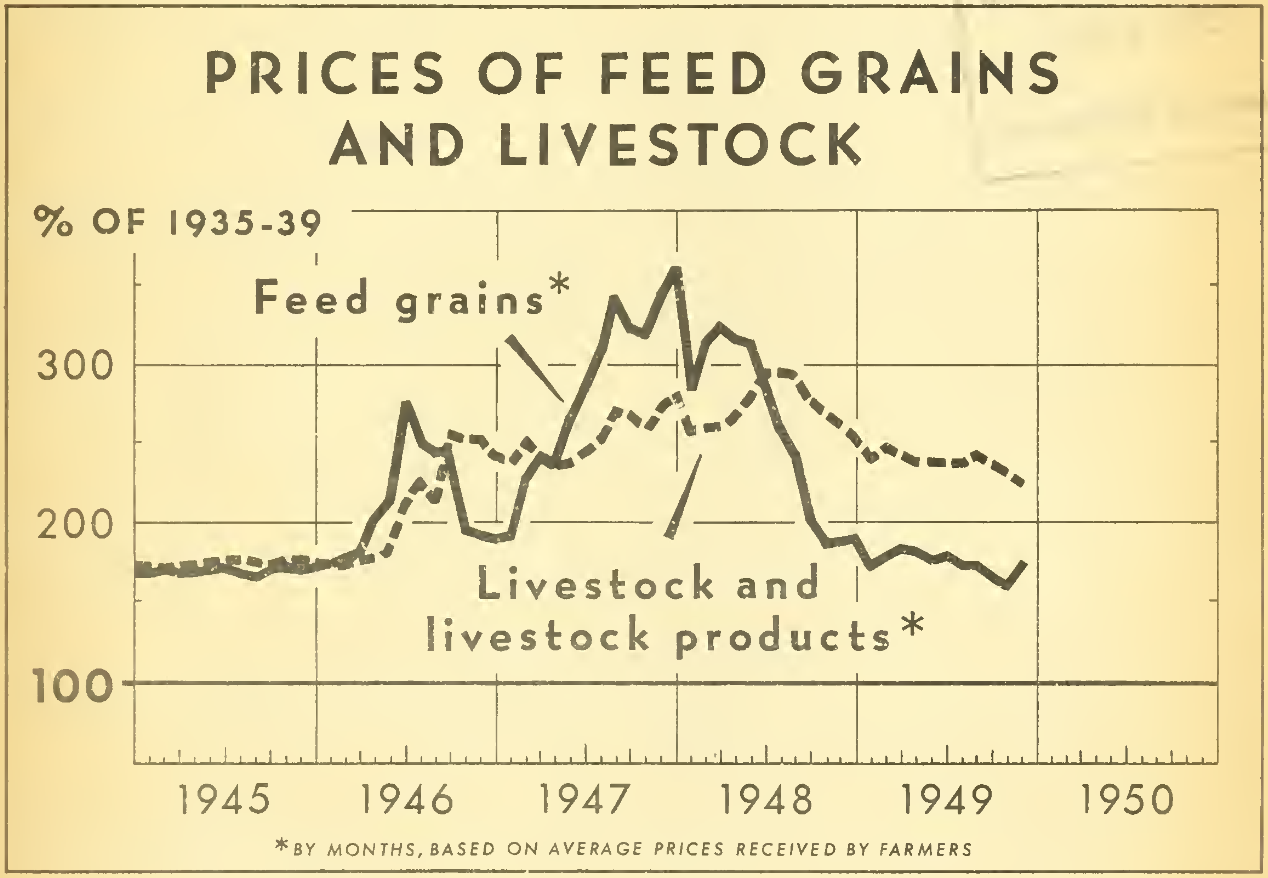

U. S. DEPARTMENT OF AGRICULTURE NEG. 47479-XX BUREAU OF AGRICULTURAL ECONOMICS

Feed grain prices have dropped sharply from the postwar peak reached in 1948, and have been unusually low in relation to prices of livestock and livestock products during the past year. Prices of protein feeds have been high relative to feed grain prices during 1949, but livestock feed price relationships in general have been favorable to livestock producers. In the 1949-50 season, the difference between livestock and feed prices is expected to be less than in the 1948-49 season.

Table 1.- Statistical Summary

PRICES

Item	Unit	1947		1948		1949		
		Nov.	Dec.	Nov.	Dec.	Oct.	Nov.	Dec.
		Cents	Cents	Cents	Cents	Cents	Cents	Cents
Corn, No. 3 Yellow, Chicago	Bushel	242.3	261.1	138.1	142.4	115.2	115.7	129.6
Price received by farmers, U. S.	do.	219.0	237.0	121.0	123.0	109.0	102.0	113.0
Oats, No. 3 White, Chicago	do.	124.1	127.3	87.8	86.6	68.7	75.9	76.2
No. 3 White, Minneapolis	do.	117.6	124.9	81.7	80.1	67.5	71.1	73.8
Price received by farmers, U. S.	do.	109.0	118.0	75.6	76.5	62.3	66.4	69.9
Barley, No. 3, Minneapolis	do.	242.6	251.0	144.7	134.6	150.2	145.1	141.8
Price received by farmers, U. S.	do.	187.0	200.0	115.0	113.0	107.0	110.0	109.0
Grain sorghums, price received by farmers, U. S.	100 pounds	329.0	361.0	214.0	219.0	172.0	166.0	179.0
Wheat, No. 2 Hard Winter, Kansas City	Bushel	299.9	301.1	228.2	228.7	218.8	220.2	222.1
		Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Hay, No. 1 Alfalfa, Kansas City	Ton	36.25	36.60	27.50	30.00	26.25	29.80	31.00
Price received by farmers, U. S. 1/	do.	21.80	22.70	23.30	23.80	21.50	21.50	21.90
Byproduct Feeds (bagged)								
Standard bran, Minneapolis	do.	62.50	70.90	49.20	50.25	38.90	40.80	44.60
Buffalo	do.	67.75	77.10	55.60	55.00	45.40	47.30	50.60
Price paid by farmers, U. S.	100 pounds	3.77	3.93	3.06	3.18	2.83	2.80	2.92
Standard middlings, Minneapolis	Ton	69.25	74.70	49.50	49.40	41.40	41.00	44.75
Buffalo	do.	74.75	80.10	56.40	55.60	48.25	48.00	51.10
Price paid by farmers, U. S.	100 pounds	4.24	4.29	3.30	3.34	3.12	3.01	3.08
Cottonseed meal, 41 pct. protein, Memphis	Ton	90.80	97.15	74.20	71.10	59.70	61.90	61.30
Linseed meal, 32 pct. protein, Minneapolis	do.	88.75	94.80	76.60	83.00	66.55	70.20	73.10
30 pct. protein, San Francisco	do.	82.00	85.60	61.40	67.60	54.50	59.80	67.75
Soybean meal, 41 pct. protein, Chicago	do.	92.90	101.50	79.25	78.00	74.80	69.40	68.80
Price paid by farmers, U. S.	100 pounds	5.22	5.44	4.38	4.64	4.69	4.36	4.32
Peanut meal, 45 pct. protein, S.E. milling points.	Ton	88.65	89.50	65.10	67.40	61.20	59.80	63.10
White hominy feed, Chicago	do.	83.60	96.40	54.25	50.95	47.80	44.95	48.40
Gluten feed, 23 pct. protein, Chicago	do.	79.75	85.20	56.05	58.25	49.50	48.50	51.50
Tankage digester, 60 pct. protein, Chicago	do.	133.25	138.00	112.45	125.20	133.50	123.20	119.75
Meat scraps, Chicago	do.	124.75	124.80	104.65	110.30	118.75	109.00	105.40
Fish meal, San Francisco	do.	172.50	183.60	146.65	164.15	166.25	168.50	189.30
Alfalfa meal, No. 1 fine, Kansas City	do.	48.30	48.50	40.20	40.00	41.50	42.60	41.25
Mixed dairy feed, 16 pct. protein, price paid by farmers, U. S.	100 pounds	4.43	4.57	3.71	3.79	3.39	3.38	3.41
Laying mash, price paid by farmers, U. S.	do.	5.40	5.53	4.55	4.62	4.48	4.38	4.41
Scratch feed, price paid by farmers, U. S.	do.	5.31	5.55	4.15	4.13	3.76	3.68	3.72

INDEX NUMBERS OF PRICES

		Percent	Percent	Percent	Percent	Percent	Percent	Percent
Feed grains, price received by farmers, U. S.	1910-14=100	324	350	189	191	167	162	176
Ten principal high-protein feeds, terminal markets	1935-39=100	308	327	252	257	232	231	235
Four oilseed meals	do.	300	321	250	247	214	214	225
Tankage, meat scraps, and fish meal	do.	317	330	268	296	309	297	309
Gluten feed, brewers' dried grains, and distillers' dried grains	do.	334	352	239	254	214	214	225
Feed, prices paid by farmers, U. S.	1910-14=100	286	299	203	207	185	183	189

LIVESTOCK-FEED PRICE RATIOS 2/

	(Dec. average)								
Hog-corn, Chicago 3/	1928-47 = 11.9	Bushel	10.3	10.1	16.4	14.8	15.5	13.7	11.6
Hog-corn, U. S. farm price	1928-47 = 12.3	do.	11.1	10.6	18.0	17.0	16.1	15.3	13.1
Beef-steer-corn, Chicago	1928-47 = 15.3	do.	12.2	11.1	22.2	18.8	25.1	24.4	20.4
Butterfat-feed, U. S.	1928-47 = 26.5	do.	20.3	21.4	22.7	23.0	24.5	25.0	24.3
Milk-feed, U. S.	1928-47 = 1.39	do.	1.20	1.18	1.46	1.44	1.41	1.47	1.42
Egg-feed, U. S.	1938-47 = 15.5	do.	11.3	12.0	16.2	14.6	15.1	14.2	12.0

Prices compiled from Chicago Journal of Commerce, Minneapolis Daily Market Record, Kansas City Grain Market Review, and reports of the Grain Branch, Production and Marketing Administration, and the Bureau of Agricultural Economics.

1/ Price of baled hay. Publication of prices received by farmers for hay sold loose has been discontinued.

2/ Units of corn or other concentrate ration equal in value to 100 pounds of hog or beef-steer, one pound of butterfat or milk, or one dozen eggs.

3/ Based on prices of No. 3 Yellow corn, all purchases of hogs, and beef steers sold out of first hands for slaughter.

THE FEED SITUATION

Approved by the Outlook and Situation Board, January 4, 1950

SUMMARY

The 1949 growing season was one of the best in history for feed crops. While feed grain production - totaling 126 million tons - was 9 percent less than the record outturn of 1948, it was larger than in any other year of record and one-fourth greater than the 1937-41 average. Including the record large carry-over, the total feed grain supply exceeds the previous record supply of last year by 7 percent. Supplies of all feed concentrates for 1949-50 are now estimated at 180 million tons, also the largest on record, either in total or per animal unit. Especially prominent in this year's feed supply is the 4,193 million bushel corn supply, 10 percent above the previous record supply of 1948.

With livestock production increasing, somewhat larger domestic consumption of feed is expected in the 1949-50 season. The total carry-over of feed grains at the end of the 1949-50 season, however, is expected to exceed the 30 million tons carried over this year, probably by 10 percent or more. All of the prospective increase is in corn, the 1950 carry-over of which probably will be around a billion bushels.

Farmers are again placing large quantities of feed grains under loan and purchase agreement this season. Through November 94 million bushels of 1949 feed grains had been placed under price support programs, a larger quantity than in the same period of 1948. The total quantity of 1949 feed grains going under price support probably will be as large as in 1948-49, when 667 million bushels (13 percent of the 1948 production) were placed under loan and purchase agreement.

Market receipts of corn were unusually heavy during October and early November this year, but have dropped off sharply in recent weeks. By late December, market receipts were below average and smaller than a year earlier. Terminal market stocks of corn increased much more than seasonally during the last quarter of 1949, and by late December totaled slightly over 50 million bushels, exceeding the big stocks at terminal markets a year earlier.

Prices of most feeds were lower in the last quarter of 1949 than in late 1948. Feed grain prices are expected to average lower this winter than last, but late this winter and next spring they probably will be near the level of a year earlier. Market prices of corn in late December were 15 to 20 cents per bushel higher than the low point reached

early in November. Prices of wheat millfeeds and some of the other lower protein byproduct feeds also have advanced during the past 2 months, while animal protein feeds have declined from the high point reached last summer. Prices of the animal protein feeds in December were more nearly in line with prices of the lower protein feeds than at any time since early in 1949. Feed prices in general have been unusually low in relation to prices of livestock and poultry during the past year. While livestock-feed price relationships in general are expected to continue to favor livestock producers during the 1949-50 season, some narrowing of the wide margin of the past year is in prospect.

CURRENT SITUATION AND OUTLOOK

Record Supply of Feed Concentrates Indicated by Final Crop Report; Hay Supplies Ample

Estimates of the 1949 production of feed grains in the December annual crop summary slightly increased the estimated feed supply from that of a month earlier. In general the 1949 growing season was one of the best in history for feed crops. The December estimate of the corn crop--3,378 million bushels--was 21 percent above the 1938-47 average and has been exceeded only by the record production of 3,682 million bushels last year. The estimated production of oats was 7 percent above average and the sorghum grain production was the second largest on record. Barley production, on the other hand, was 22 percent below average, as a result of the smaller acreage seeded.

The total supply of feed concentrates, including the feed grains, byproduct feeds, and an allowance for wheat and rye for feed, is estimated at 180 million tons. This is about 5 percent above the big supply of last year and nearly one-thrid larger than the 1937-41 average. After allowing for a prospective 3 or 4 percent increase in the number of grain-consuming animal units to be fed during the year, the supply per animal unit is a little larger than the previous record supply for 1948-49, and about one-fifth larger than in the immediate prewar years. The number of grain-consuming animal units to be fed is expected to be larger than in any of the past three years, although considerably below the high level reached during the war.

With the record supply of feed grains this year and with feed grain prices low in relation to the price of wheat, the quantity of wheat fed in 1949-50 probably will continue near the low rate of the past year. During the 1948-49 feeding season (October-September) 145 million bushels of wheat were fed to livestock, about three-fourths of which was fed on farms where produced. During the current feeding season, wheat purchased for feed probably will continue small and will again be confined largely to damaged wheat or that unfit for human consumption.

Table 2.- Feed balance, numbers of animal units, and feed per unit, United States, year beginning October, average 1937-41, annual 1945-49

Item	Average 1937-41	1945	1946	1947	1948 1/	1949 2/
	Million tons	Million tons	Million tons	Million tons	Million tons	Million tons
Supply						
Stocks beginning of crop year 3/	16.9	14.9	10.9	13.8	7.7	30.0
Production						
Corn	72.1	80.7	91.0	66.8	103.1	94.6
Oats	18.1	24.6	24.0	19.2	23.9	21.2
Barley	6.9	6.4	6.3	6.7	7.6	5.7
Sorghum grains	2.2	2.7	3.0	2.7	3.7	4.3
Total feed grains produced ...	99.3	114.4	124.3	95.4	138.3	125.8
Other grains fed 4/	4.8	8.1	5.3	5.4	5.1	4.4
Byproduct feeds for feed	15.4	17.7	19.4	19.0	19.6	19.5
Total supply of concentrates .	136.4	155.1	159.9	133.6	170.7	179.7
Utilization						
Domestic feed grains fed	85.1	107.4	100.2	87.1	99.4	103.8
Domestic wheat and rye fed	4.6	7.9	5.2	5.3	4.5	4.0
Other grain fed	0.2	0.2	0.1	0.1	.6	.4
Oilseed cake and meal fed	3.9	5.8	5.8	6.2	7.3	7.4
Animal protein feeds fed	2.9	2.4	2.3	2.4	2.4	2.6
Other byproduct feeds fed	8.6	9.5	11.3	10.4	9.9	9.5
Total concentrates fed	105.3	133.2	124.9	111.5	124.1	127.7
Feed grains for seed, human food, industry, and export	12.1	13.3	19.3	13.6	17.8	17.5
Total utilization	117.4	146.5	144.2	125.1	141.9	145.2
Total utilization adjusted to crop year basis	116.5	144.2	146.1	125.9	140.7	145.7
Stocks at end of crop year 3/ ..	19.9	10.9	13.8	7.7	30.0	34.0
Number of grain-consuming animal units fed annually Oct.-Sept. (million) 5/	153.1	167.8	161.4	155.5	161.0	168.0
Supply of all concentrates per animal unit (ton)	.89	.92	.99	.86	1.06	1.07
Concentrates fed per animal unit (ton)	.69	.79	.77	.72	.77	.76

1/ Preliminary.
2/ Based on indications in December 1949. Tentative estimates of utilization and carry-over.
3/ Stocks in all positions of corn October 1 and oats and barley July 1.
4/ Imported grain and domestic wheat and rye fed.
5/ For weights, see table 2, October 1949 *Feed Situation*.

The total supply of byproduct feeds available for livestock feeding in this country will again be large for the 1949-50 season, probably close to the high level of last year. The large 1949 crops of soybeans and cottonseed and another large supply of flaxseed are expected to result in a record or near-record production of oilseed cake and meal during the coming year. The quantity of oilseed cake and meal available for feeding in this country is expected to be somewhere near the record of 7.3 million tons fed in 1948-49. Production of wheat millfeeds is expected to be smaller in the 1949-50 season, as a result of some further reduction in the quantity of flour produced for export.

The total production of hay in 1949 - estimated in December at 99.3 million tons - included record tonnages of alfalfa and lespedeza. Total production was about the same as last year and also close to the average of the past 10 years. This year's production plus the estimated carry-over of about 15 million tons gives a total supply of about 114 million tons, slightly smaller than in 1948 and the smallest in recent years. In relation to the number of hay-consuming livestock, however, the supply is about the same as the big supply per animal unit of last year. (See table 10.) Hay supplies have been conserved this fall by better than average fall grazing. Hay supplies are generally ample in most areas of the country, except in the North Atlantic region and in other areas, principally in the northern part of the country, where dry weather reduced the 1949 production.

Record Supply of Feed Grains for 1949-50

The total feed-grain supply for the 1949-50 season was estimated in December at 156 million tons, 7 percent larger than the previous record supply of 1948-49. The December estimate of feed-grain production was 126 million tons, second only to the record production of 138 million tons last year and a little more than one-fourth larger than the 1937-41 average. In addition to the big production this year, a record large carry-over of about 30 million tons was on hand at the beginning of the 1949-50 season, about four times the small carry-over in 1948.

The 1949 corn crop - estimated in December at 3,378 million bushels -- was the fifth crop since 1942 that exceeded three billion bushels. The increased production of corn in recent years reflects the upward trend in yield resulting from improved production practices (including use of hybrid seed) and from favorable growing seasons during most of these years. In only one year of the previous 30 years (1912-41) did production exceed 3 billion bushels, although acreage in that period was generally higher than in recent years.

The corn supply, estimated in December at 4,193 million bushels, is more than a billion bushels above the supply for 1937-41 and nearly 400 million bushels larger than the previous record supply of last year. A considerable part of the increase in the corn supply from the prewar average, however, will be held under price-support programs during the current marketing year. It is estimated that over one-half of the 815 million bushels of 1948 corn carried over October 1 was either destined for Government ownership or resealed for loan. A large volume of 1949 corn also will be placed under loan or purchase agreement during the marketing year. The total disappearance of corn in 1948-49, now estimated at 2,993 million bushels, was distributed as follows: 2,626 million for food; 255 million bushels for domestic non-feed purposes; 112 for export. Domestic utilization of corn during the current season is expected to be larger than in 1948-49 as a result of increased feed requirements, while exports probably will be close to the 1948-49 level. A carry-over of nearly 1 billion bushels is in prospect for the close of the marketing year.

Table 3. - Feed grains: Supplies, United States, average 1937-41, annual 1942-49

Year beginning	Corn				Oats			
	Production	Carry-over Oct. 1	Imports	Total supply	Production	Carry-over July 1	Imports	Total supply
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Average:								
1937-41	2,576	469	1	3,046	1,131	173	5	1,309
1942	3,068	491	1	3,560	1,343	194	59	1,596
1943	2,966	384	4	3,354	1,140	259	81	1,480
1944	3,088	231	6	3,325	1,149	208	69	1,426
1945	2,881	315	1	3,197	1,536	234	24	1,794
1946	3,250	173	1	3,424	1,498	292	1	1,791
1947	2,384	286	1	2,671	1,199	276	2	1,477
1948	3,682	125	1	3,808	1,493	184	19	1,696
1949 1/	3,378	815	---	4,193	1,323	295	2/10	1,628

Year beginning	Barley				Sorghum grains			Total feed grain supply
	Production	Carry-over July 1	Imports	Total supply	Production	Carry-over Oct. 1	Total supply	
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. tons
Average:								
1937-41	286	43	3	332	78	---	78	116.4
1942	429	70	27	526	110	---	110	140.9
1943	323	121	41	485	110	---	110	132.3
1944	276	76	38	390	185	---	185	130.5
1945	267	95	6	368	97	---	97	129.8
1946	262	59	4	325	107	---	107	135.3
1947	281	56	1	338	96	7	103	3/109.3
1948	316	52	12	380	132	7	139	3/146.6
1949 1/	238	101	2/10	344	153	18	171	3/156.1

1/ Preliminary.
2/ Tentative estimates, based on indications in December.
3/ Excluding carry-over of sorghum grains.

The 1949 production of oats was 11 percent smaller than last year, but this was largely offset by the increased carry-over. The total supply, including July 1 carry-over and the 1949 crop and probable imports, was estimated in December at 1,628 million bushels, only 4 percent smaller than a year earlier. Production of sorghum grains was second only to the production in 1944, reflecting the record yield per acre this year. Barley production was about 25 percent smaller than last year and 22 percent below the average of the past 10 years. Compared with average, the reduction in the barley crop was largely the result of a decline in the acreage seeded in the North Central States. The combined supply of these three feed grains was well above the prewar level, but a little smaller than in 1948-49. Current indications point to a larger total carry-over of corn, oats, and barley in 1950, probably an increase of one-tenth or more over that in 1949, with all the increase in corn.

Marketings of Corn Decline Since Mid-November; Commercial Stocks Much Larger than Average

Marketings of corn during October and early November were unusually heavy, reflecting the early harvesting of the big 1949 crop. Harvesting of corn in the North Central States started several weeks earlier than usual this year. As most of the crop was well-matured before the first frost, this year's crop is of good quality. The total receipts of corn at primary markets, including some owned by the Government, during October and the first half of November were more than double the average receipts of this period and also a little larger than the heavy receipts a year earlier. Since the middle of November, receipts have dropped off contra-seasonally; and in late December market receipts were below average and smaller than a year earlier. With market prices below the loan rate, farmers apparently are now holding most of their surplus corn for loan or purchase agreement. Comparatively small receipts are in prospect for the remainder of the marketing season.

Commercial stocks of corn at terminal markets have increased sharply in recent months from the small holdings at the beginning of the marketing season. Total stocks of corn at terminal markets increased from about 9 million bushels on October 1 to over 50 million bushels by the end of December. Of this quantity, an estimated 8 to 10 million bushels were owned by CCC. Total terminal market stocks in late December slightly exceeded the large stocks on hand a year earlier and were more than three times the 1943-47 average. Stocks of corn at terminal markets showed a similar increase during the fall months of 1948, but as a result of light marketings of corn during the first 9 months of 1949, stocks in these positions were reduced to a low of 5 million bushels by September.

Table 4.- Corn: Market receipts and stocks at terminal markets, weekly, October-December 1949, with comparisons 1/

Week ended 3/	Receipts at primary markets			Stocks at terminal markets 2/		
	Average 1943-47	1948	1949	Average 1943-47	1948	1949
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
October 1	3,993	3,861	7,128	6,030	1,522	9,614
October 8	4,473	3,397	6,924	5,741	1,536	11,281
October 15	4,283	3,645	6,840	5,778	1,455	13,055
October 22	4,193	6,102	10,984	5,812	2,290	16,488
October 29	4,873	9,231	11,441	6,418	4,621	20,020
November 5	5,335	13,091	16,828	7,361	11,324	25,957
November 12	6,105	13,336	16,489	8,572	17,102	33,124
November 19	7,345	18,291	14,211	10,546	25,265	40,356
November 26	7,335	12,497	10,892	12,005	33,603	43,986
December 3	7,827	13,821	10,727	12,628	39,002	46,400
December 10	7,544	13,177	10,390	13,316	42,056	48,209
December 17	6,983	11,035	8,221	14,072	45,403	49,677
December 24	6,298	9,277	8,019	14,717	48,747	50,784
December 31	6,965	6,536	4,421	15,216	50,328	4/51,707

1/ Compiled from reports of Grain Branch, Production and Marketing Administration.

2/ Stocks as reported at close of business on Friday or Saturday.

3/ Data for 1943-47 and 1948 are for weeks which most nearly correspond to the weeks listed for 1949.

4/ Preliminary.

Large Quantities of 1949 Feed Grains Going Under Price Support

This past summer and fall farmers have been placing large quantities of 1949 feed grains under the loan and purchase agreement programs. Through November a total of about 94 million bushels (2.2 million tons) of the four feed grains had been placed under price support compared with 87 million bushels through the same period of last year. Prices of all feed grains have been below the Government loan rates this season, which has encouraged active participation in the loan programs. The total volume of 1949 feed grains going under price support probably will be about as large as in the 1948-49 season, when a total of 667 million bushels (18.2 million tons) of the four feed grains were placed under loan and purchase agreement. This was equivalent to about 13 percent of the total 1948 production and was the largest quantity placed under loan in any one year.

Through November, farmers had placed 16.8 million bushels of 1949 corn under loan and had resealed 65.9 million bushels of 1948 corn. Through November last year farmers had placed about 27 million bushels of corn under loan. Corn prices have advanced since November, but are still somewhat below the loan rates, which average $1.40 per bushel for the United States and vary by counties from $1.29 to $1.66 per bushel. Loans on 1949 corn will be available through May 31, 1950.

Table 5.- Feed grains: Quantities placed under loan and purchase agreement through November 1949 with comparisons

Feed grain	1948 crops				1949 crops	
	Through November 1948		Total for season		Through November 1949 1/	
	Loans	Purchase agreement	Loans	Purchase agreement	Loans	Purchase agreement
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Corn	27,140	4,421	358,019	196,123	16,798	2,437
Oats	13,293	1,935	14,897	8,645	25,828	1,779
Barley	25,402	3,864	31,251	18,285	25,711	833
Sorghum grain	10,658	327	34,673	5,099	19,633	1,136

1/ Does not include 1948 grain resealed for loan.

Loans on 1949 crops of oats, barley, and sorghum grains are available from time of harvest through January 31, 1950. The loan rate on oats averages 69 cents a bushel. Considerably more oats had gone under loan through November this year than during the entire 1948 loan period. (table 5). Oats prices were 8 to 11 cents per bushel below the loan rate during July-September, but had advanced to the loan level by mid-December.

The quantity of barley placed under loan through November this year was slightly larger than for the same period of 1948, but less has gone under purchase agreement. The average loan rate on barley is $1.09 per bushel. Average prices received by farmers for barley were around 15 cents per bushel below the loan last summer, but prices have advanced more than seasonally since mid-summer, and barley prices have been close to the loan level since October.

The total volume of grain sorghums placed under price support was also larger through November this year than last. Production of grain sorghums this year is about 16 percent larger than a year ago, and prices have been much below the loan rate this fall. The average price received by farmers for sorghum grains was below the national average loan rate of $2.09 per 100 pounds through the last half of 1949. The mid-December price was $1.79 per 100 pounds, 30 cents below the loan rate.

Corn Acreage Allotments Announced for 1950; No Marketing Quotas

Acreage allotments on 1950 crop corn were announced for the commercial corn producing area on December 30, 1949, by the Secretary of Agriculture. The acreage allotment for the area as determined under the provisions of the Agricultural Adjustment Act of 1938, as amended, is 46,246,973 acres. This represents a reduction of a little more than 11 million acres from 1949 plantings, which were 57,579,000 acres in the commercial area and 87,910,000 acres in the country as a whole. The downward adjustment will be about 12.9 percent from 1949, nationally, and about 19.7 percent in the commercial area. (Allotments are applied only in the commercial area.)

Planting within individual acreage allotments will be a condition for price support, which is mandatory in 1950 at 90 percent of the October 1, 1950 parity level. The support level outside the commercial area, where there are no allotments, will be 75 percent of the level in the commercial area.

Determination of the corn acreage allotment for 1950 resumes the procedure which was initiated with the Agricultural Adjustment Act of 1938 and continued until the war emergency required suspension. Corn acreage allotments were in effect each year from 1938 through 1942. In establishing acreage allotments, the law requires that the corn acreage allotment for any year shall be

> "that acreage in the commercial corn-producing area which, on the basis of the average yield of corn in such area during the ten calendar years immediately preceding such calendar year, adjusted for abnormal weather conditions and trends in yield, will produce an amount of corn in such area which the Secretary determines will, together with corn produced in the United States outside the commercial corn-producing area or imported, make available a supply for the marketing year beginning in such calendar year, equal to the normal supply."

The normal supply for the 1950-51 marketing year has been determined as 3,554 million bushels. In determining the amount of corn needed to be produced in the commercial corn-producing area to make available a total supply of 3,554 million bushels in 1950-51, the carry-over and the amount of corn to be produced outside the commercial corn-producing area must be deducted. When this is done it leaves 1,910 million bushels as the production needed in 1950 in the commercial corn-producing area. The Department of Agriculture estimates that, with average yields, an acreage of 46,246,973 acres will be required to produce 1,910 million bushels in the commercial corn area.

With regard to the commercial corn area, the Act provides that the 1950 area shall include all counties in which the average production of corn (excluding corn used as silage) during the ten calendar years 1940-49, after adjustment for abnormal weather conditions, is 450 bushels or more per farm and 4 bushels or more for each acre of farmland in the county. The Act also provides certain conditions under which counties bordering on such commercial corn-producing area may be included. The commercial producing area determined for 1950 on the basis of these requirements, includes 837 counties, 214 more than in 1942, which was the last previous year in which acreage allotments were applied to the production of corn. The present increase in the number of counties included in the commercial corn area is the result mainly of the long-term upward trend in yields per acre, rather than of any substantial increase in the acreage planted to corn.

The Secretary of Agriculture also announced that there will be no marketing quotas on the 1950 corn crop, since the total supply of corn for the 1949-50 marketing year is below the level at which quotas would be called for under existing legislation. The total supply of corn for the marketing year beginning October 1, 1949 is estimated at 4,193 million bushels. The normal supply of corn for the marketing year has been determined to be 3,554 million bushels. The marketing quota level is 120 percent of the normal supply, or 4,265 million bushels. Since the total supply does not exceed the marketing quota level, no marketing quotas will be in effect on the 1950 crop.

Corn Prices Advance Toward the Loan Rate; Animal Protein Prices Decline

Prices of corn and other feed grains have been lower in recent months than in the latter part of 1948. Feed grain prices are expected to average lower this winter than last, but late this winter and next spring they probably will be close to the level of a year earlier. Price supports on feed grains and the increased number of livestock on farms are important factors influencing feed grain prices.

Market prices of corn have advanced 15 to 20 cents per bushel since early November, when corn prices reached the lowest level in 5 years. In mid-December the average price received by farmers was $1.13 per bushel, 11 cents per bushel higher than a month earlier, but 27 cents per bushel below the loan rate. Advances in corn prices have been accompanied by increases in the price of oats and a number of the lower protein byproduct feeds. Prices of animal-protein feeds, on the other hand, have declined in recent months, but in December they were still a little higher than a year earlier. While prices of protein feeds continued generally high in relation to prices of feed grains and other lower protein feeds, they were more in line with prices of these feeds in December than in any month since early in 1949. In December, the index of feed grain prices was 7 percent above the 1939-48 average for the month, while the index of high protein feed prices was 28 percent above average. As compared with a year earlier, prices of feed grains were down about 8 percent and all protein feeds were down 9 percent.

Prices of feeds have been low in relation to prices of livestock and livestock products during most of the past year. The sharp drop in feed prices late in 1948 was accompanied by only a moderate decline in prices of livestock and livestock products. Feed prices continued low in relation to livestock prices through 1949, although in December feed grain prices advanced in relation to livestock prices. While feed prices probably will continue fairly low in relation to livestock prices during the 1949-50 season, some narrowing of this wide difference is in prospect. Feed prices generally are not expected to decline as much from the 1948-49 season to the 1949-50 season as livestock prices.

Table 6.- Prices of feed grains, and livestock and livestock products, United States, by months, 1945-49

	Index numbers (1935-39=100)											
Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Feed grains 1/											
1945	168	167	169	167	167	169	170	167	165	169	170	169
1946	171	174	178	181	204	213	276	252	245	246	195	191
1947	190	192	228	242	238	268	287	309	341	323	320	345
1948	361	285	315	325	317	313	284	259	245	201	186	188
1949	190	172	179	183	181	176	179	172	172	165	160	174
	Livestock and livestock products 2/											
1945	173	172	171	172	173	174	176	176	174	173	176	177
1946	175	173	173	176	166	182	212	225	214	256	252	252
1947	241	238	250	242	236	238	245	253	270	268	260	274
1948	281	257	259	260	265	279	295	295	294	277	268	261
1949	253	240	246	242	237	237	236	236	243	236	230	224

1/ Converted from index based on August 1909-July 1914=100. Average price per bushel received by farmers for three feed grains, weighted as follows: corn 63, oats 32, barley 5.

2/ Converted from index of average prices received for meat animals, dairy products, and poultry and eggs, August 1909-July 1914=100.

In December, prices of livestock and livestock products were about 14 percent lower than a year earlier, while feed grain prices were down about 8 percent.

Liberal Feeding of the Increased Livestock on Farms in Prospect

Farmers have been feeding their livestock liberally this fall and winter, and rates of feeding per animal probably will continue above average during the 1949-50 feeding season.

The quantity of grain and other concentrates fed to milk cows on December 1 was about 18 percent above the 1938-47 average and slightly larger than a year earlier. Dairymen probably will continue to feed their dairy herds liberal rations throughout the 1949-50 feeding season. Larger production of poultry and eggs this fall and winter is increasing the quantity of feed consumed by poultry. In November, there were 4 percent more layers on farms than a year earlier and egg production was 11 percent greater.

Recent developments in the cattle situation point to another large number of beef cattle to be grain-fed this winter and spring. Shipments of stocker and feeder cattle into the 11 Corn Belt States during July-November were 27 percent higher than last year and the highest on record starting with 1939. Many of these cattle, however, were relatively light in weight and were not put on feed immediately. Although shipments of cattle to these States have fallen off in the past 2 or 3 months, present indications are that the total number of cattle grain-fed this season will be as large as or slightly larger than last.

Present indications are that hogs will consume around 10 percent more feed during 1949-50 than in 1948-49. The 1949 fall pig crop,which depends entirely on 1949-50 feed supplies, was estimated in the December pig crop report to be about 10 percent larger than last year. The 1949 spring pig crop, now being marketed, was about 15 percent larger than a year earlier. Hog producers in December indicated their intentions to increase the number of sows to farrow in the spring of 1950 by about 7 percent over the number farrowing in the spring of 1949. During October-December the average weight of barrows and gilts coming to market was about 3 percent lower than a year earlier and hog weights probably will average a little lower during the 1949-50 feeding season as a whole than in 1948-49.

Table 7.- Production and stocks of specified byproduct feeds, November 1949 with comparisons

Item	1947-48	1948-49	1948	1949		
	Oct.-Sept.	Oct.-Sept.	November	September	October	November
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
Production						
Cottonseed cake and meal	1/ 2,015.6	2,416.3	322.6	253.8	334.0	355.1
Soybean cake and meal	3,832.8	4,328.2	383.0	279.0	414.5	406.4
Linseed cake and meal	625.0	686.8	52.7	70.2	65.0	60.5
Peanut cake and meal	107.3	93.7	13.9	4.4	15.6	22.2
Copra cake and meal 1/	169.9	118.0	9.1	13.0	15.8	15.1
Corn gluten feed and meal	799.1	848.3	81.2	76.1	81.2	72.8
Brewers' dried grains	233.1	232.4	15.1	20.6	16.8	14.1
Distillers' dried grains	351.1	332.9	36.9	21.3	22.1	23.7
Wheat millfeeds	5,420.0	4,799.2	438.0	413.6	424.9	382.0
Rice millfeeds	177.6	190.3	25.0	23.0	31.9	24.2
Alfalfa meal	1,109.9	957.0	41.9	101.4	86.0	47.6
Fish cake and meal	188.5	173.9	11.6	27.6	31.8	10.6
Dry or powdered skim milk 1/	6.5	10.0	.3	.6	.6	.4
Stocks end of period						
Cottonseed cake and meal	75.2	98.1	78.4	98.1	116.9	123.5
Soybean cake and meal	---	13.3	---	13.3	35.9	42.5
Linseed cake and meal	---	38.6	---	38.6	32.2	17.9
Peanut cake and meal	.7	1.1	3.1	1.1	2.8	4.1
Copra cake and meal	---	7.3	---	7.3	7.4	6.0
Brewers' dried grains	6.7	6.0	1.5	6.0	4.3	3.3
Distillers' dried grains	3.3	2.2	3.8	2.2	1.9	2.0
Alfalfa meal	238.7	186.2	181.2	186.2	193.8	177.7

Compiled as follows: Wheat millfeeds, cottonseed cake and meal, and beginning January 1949, soybean, linseed, and copra cakes and meals, Bureau of the Census; prior to January 1949, soybean, linseed, and copra cakes and meals, Grain Branch, Production and Marketing Administration, derived from Census crushings report; gluten feed and meal, brewers' and distillers' dried grains, rice millfeeds, and alfalfa meal, Production and Marketing Administration, fish cake and meal from Fish and Wildlife Service, Department of the Interior.

1/ Revised.

Table 8.- Feed grains: Planted and harvested acreages, United States, average 1939-43, annual 1944-49

Year	Corn, all purposes: Planted	Corn, all purposes: Harvested	Oats: Planted	Oats: Harvested	Barley: Planted	Barley: Harvested	Sorghums 1/: Planted	Sorghums 1/: Harvested
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Average								
1939-43	90,065	87,898	41,169	37,233	16,844	14,480	18,140	16,678
1944	95,475	94,014	43,804	39,672	14,337	12,301	18,271	17,851
1945	89,727	88,079	45,889	41,933	11,718	10,465	15,753	14,592
1946	89,788	88,489	46,549	43,205	11,527	10,411	14,572	13,657
1947	86,108	83,932	42,301	38,451	12,102	11,014	11,585	11,169
1948	86,828	86,067	44,526	40,198	13,228	11,987	13,694	13,066
1949 2/	87,910	86,735	44,525	40,560	11,208	9,879	11,664	11,400

1/ For grain, forage, and silage. 2/ Preliminary.

Table 9.- Feed grains: Production, United States, average 1939-43, annual 1944-49

Year	Corn: All purposes	Corn: For grain	Oats	Barley	Sorghum grain	Total
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 tons
Average						
1939-43	2,744,912	2,486,648	1,173,835	340,880	94,367	106,462
1944	3,088,110	2,801,993	1,149,260	276,112	184,962	116,661
1945	2,880,933	2,593,752	1,535,676	266,833	97,014	114,357
1946	3,249,950	2,951,147	1,497,904	262,258	106,941	124,254
1947	2,383,970	2,137,410	1,199,422	281,185	96,016	95,378
1948	3,681,793	3,401,616	1,493,304	315,894	131,496	138,249
1949 1/	3,377,790	3,108,812	1,322,924	238,104	152,630	125,733

1/ Preliminary.

Table 10.- Hay supply and disappearance per animal unit, United States, average 1939-43, annual 1944-49

Year beginning May	Production	Carry-over from previous year	Supply (production plus carry-over)	Disappearance	Supply per animal unit	Disappearance per animal unit	Animal units fed annually 1/
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Tons	Tons	Thousands
Average							
1939-43	97,837	14,611	112,448	98,344	1.50	1.31	75,117
1944	102,745	13,833	116,578	100,686	1.48	1.28	78,726
1945	108,539	15,892	124,431	103,824	1.65	1.38	75,347
1946	100,739	20,607	121,346	105,372	1.67	1.45	72,822
1947	102,765	15,974	118,739	103,611	1.71	1.49	69,424
1948	99,471	15,128	114,599	99,448	1.67	1.45	68,444
1949 2/	99,305	15,151	114,456		1.67		68,500

1/ Roughage-consuming animal units fed annually. For weights, see table 9, October 1949 Feed Situation.

2/ Preliminary. December estimates.

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Table 11.- Feed grains: Receipts at primary markets, November, average 1943-47 and 1948, August-November 1949

Item	November		1949			
	Average 1943-47	1948	August	September	October	November
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Corn, 12 markets 1/	31,931	62,961	22,064	23,967	43,927	58,979
Oats, 12 markets 1/	10,945	8,841	24,824	9,338	5,954	5,460
Barley, 4 markets 2/	11,238	10,617	24,940	14,954	11,003	9,015

Compiled from reports of the Grain Branch, Production and Marketing Administratio

1/ Chicago, Milwaukee, Minneapolis, Duluth, St. Louis, Kansas City, Peoria, Omaha
Indianapolis, Sioux City, St. Joseph, and Wichita.
2/ Minneapolis, Milwaukee, Chicago, and Duluth.